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DEPARTMENT OF NATURAL RESOURCES

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December 4, 2007

Curtis Sealy
Uranium Energy Corporation
6100 Indian School Road NE, Suite 225
Albuquerque, New Mexico 87110

Subject: Reclamation Responsibilities, Randolph Mining, Dusty Mine, S0370063, Task 2058, San Juan County, Utah

Dear Mr. Sealy:

This letter is in response to your October 8, 2007 letter asking for clarification of reclamation liability at the Dusty Mine. According to inspection reports and information from the Bureau of Land Management, disturbances associated with the Dusty Mine include a pad and portal and an ore stockpile/loadout area. An inspection report from 1996 indicates there was a metal ore chute at the stockpile area and that there was some scrap metal in the portal area. There is apparently a nearby portal that was voluntarily backfilled by the operator.

To the Division's knowledge, this second portal has not been used by the operator, so reclamation of this portal is not included in the surety. Volunteer vegetation has become established in the stockpile area and on the sides of the access roads, so these areas were not included. In addition to closing the portal, the reclamation liability includes cleaning up any scrap metal or equipment at the portal or at the stockpile area.

If you submit a permit transfer application, the Division will require that you also provide a new Notice of Intention to Commence Small Mining Operations (NOI), and before beginning operations, you must also submit a plan of operations with the Bureau of Land Management. The Division considers the \$4,000.00 bond to be adequate at this time.

I hope this answers your questions, but please contact Paul Baker at 801-538-5261 if you need further information.

Sincerely,

Susan M. White

Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW PBB pb
cc Ted McDougall, Monticello BLM
Will Stokes, SITLA
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